

Message Text

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ACTION EUR-10

INFO OCT-01 SS-14 ISO-00 NSC-07 NSCE-00 CIAE-00 INR-11

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R 021240Z OCT 74

FM USMISSION NATO

TO SECSTATE WASHDC 7912

SECDEF WASHDC

SECOMMERCE WASHDC

INFO AMEMBASSY LONDON

S E C R E T USNATO 5374

LIMDIS

E.O. 11652: GDS

TAGS: EFIN, MCAP, NATO

SUBJECT: BURDENSARING: UK DATA ON MILITARY PROCUREMENT

REF: A. USNATO 3522

B. USNATO 4859

C. USNATO 5325

1. MISSION HAS JUST RECEIVED LETTER FROM UK DELEGATION (QUOTED BELOW)
WHICH PROVIDES A BREAKDOWN BY MILITARY PROJECT OF PAYMENTS MADE TO THE

US DURING FY 74 UNDER GOVERNMENT-TO-GOVERNMENT TRANSACTIONS (REFS A
AND B). THE NINE MAJOR PROJECTS ACCOUNT FOR NEARLY \$195 MILLION OF THE

\$235 MILLION TOTAL UK MILITARY PROCUREMENT IN THE US. THE REMAINDER IS

LARGELY MADE UP OF SMALL GOVERNMENT-TO-FIRM TRANSACTIONS WHICH THE UK
CANNOT IDENTIFY ON THE BASIS OF AVAILABLE INFORMATION.

2. QTE. AT THE INFORMAL MEETING OF THE WORKING GROUP ON BURDENSARING
HELD ON 6 SEPTEMBER I PROMISED TO LET YOU HAVE SOME FURTHER DETAILS
SECRET

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OF THE NINE MAJOR PROJECTS REFERRED TO IN JOHN LEDLIE'S LETTER TOYOU OF

19 JUNE. YOU WANTED THESE FIGURES TO TRY AND RECONCILE THE
OVERALL TOTAL OF \$235 MILLION FOR UK EXPENDITURE IN THE US WITH THE

FIGURES AVAILABLE FROM YOUR OWN BALANCE OF PAYMENTS ACCOUNT.
LONDON HAVE NOT BEEN ABLE TO PROVIDE ME WITH A DETAILED BREAKDOWN
WHICH IS AS FOLLOWS:

EQUIPMENT	7/1/73-12/31/73	1/1/74-6/30/74
	(\$MILLION)	(\$MILLION)
POLARIS	16.3	21.7
MARK 46 TORPEDO	16.0	11.0
LANCE	0.6	1.5
M107, 109 AND 110 GUNS	1.3	1.8
US MILITARY AIRCRAFT LOAN	47.9	44.3
PHANTOM	7.9	6.6
HERCULES	3.3	4.1
SPARROW	3.9	3.3
SKYNET	9.7	1.7
TOTAL	98.9	96.0

AS I MENTIONED AT THE MEETING THE FIGURES ARE BASED ON ACTUAL OUT
TURN TO 31 MARCH AND EXTIMATES THEREAFTER.

YOU WILL NOTE THAT THE CLASSIFICATION OF THESE FIGURES IS
"SECRET." THEREFORE WHILE WE HAVE OUT COURSE NO PROBLEMS IN
PROVIDING THEM TO YOU TO ENABLE YOUR OFFICIALS IN WASHINGTON TO
COMPARE THEM WITH DETAILS AVAILABLE FROM YOUR BALANCE OF PAYMENTS
ACCOUNTS WE WOULD NOT WISH THEM TO BE REVEALED TO CONGRESS OR IN
PUBLISHED DOCUMENTS. IT IS NOT OUR PRACTICE TO PROVIDE THIS SORT
OF DETAILED INFORMATION ON SENSITIVE PROJECTS IN RESPONSE TO
PARLIAMENTARY ENQUIRES IN THE UK AND AS I AM SURE YOU WILL
UNDERSTAND, IT WILL BE POLITICALLY EMBARASSING FOR US IF THIS
INFORMATION WERE TO BE PUBLISHED ABROAD.

I HOPE THESE DETAILS WILL BE OF SOME HELP TO YOU IN YOUR TASK
OF RECONCILIATION, BUT IF THERE IS ANY FURTHER INFORMATION WHICH
YOU WOULD LIKE, PLEASE LET ME KNOW AND I WILL SEE IF WE ARE ABLE TO
PROVIDE IT

I AM SENDING A COPY OF THIS LETTER TO THE DIRCTOR OF THE
ECONOMIC DIRECTORATE. UNQUTE.

SECRET

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MCAULIFFE

SECRET

<< END OF DOCUMENT >>

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